

**LAFOURCHE PARISH
RECREATION DISTRICT No. 11**

COMPILED FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/23/08



STAGNI & COMPANY, LLC

LAFOURCHE PARISH RECREATION DISTRICT No. 11

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LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

This discussion and analysis of Lafourche Parish Recreation District No. 11's (the District) financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) - The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Government-Wide Financial Statements (GWFS)

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of the net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net assets are one indicator of whether its financial health is improving or deteriorating.

The Statement of Net Assets and the Statement of Activities reports only one type of activity - governmental activities. Most of the basic recreational services are reported as this type.

Fund Financial Statements (FFS)

The Fund Financial Statements provide detailed information about the most significant funds—not the District's operations as a whole. Some funds are required to be established

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

by State laws. Other funds are established to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as the Sinking Fund).

The District utilizes only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

FINANCIAL HIGHLIGHTS

The basic financial statements provide these insights into the results of this year's operations:

- Net assets of our governmental activities increased by \$91,478 or approximately 12.2 percent as a result of this year's operations.
- Total expenses for program activities were \$74,422 for the year, which was \$70,582 more than the \$3,840 generated from charges for services and the grants and contributions received for these activities. The remainder of these expenses was covered by general revenues from property taxes collected and investment earnings of \$162,060 that resulted in a net increase in assets of \$91,478.
- The cost of all of the programs increased by \$8,814, or approximately 13.4 percent. The charges for services and the grants and contributions received for these activities increased by \$2,578.
- The governmental funds reported a total ending fund balance of \$362,271. This reflects an increase of \$60,355 from last year.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (GWFS)

The Statement of Net Assets and the Statement of Activities reports all activity as governmental activities. All of the basic recreational activities are reported as this type. Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Assets

	2007	2006	Dollar Change	Total Percent Change
Current and Other Assets	\$527,954	\$465,279	\$62,675	13.5%
Capital Assets	530,027	544,550	(14,523)	-2.7%
Total Assets	1,057,981	1,009,829	48,152	4.8%
Current Liabilities	214,658	210,984	3,674	1.7%
Long Term Liabilities	-	47,000	(47,000)	100.0%
Total Liabilities	214,658	257,984	(43,326)	-16.8%
Invested in Capital Assets	481,052	449,929	31,123	6.9%
Restricted	245,054	197,684	47,370	24.0%
Unrestricted	117,217	104,232	12,985	12.5%
Total Net Assets	\$ 843,323	\$ 751,845	\$91,478	12.2%

As a result of this year's operations, net assets increased by \$91,478. The balance in net assets represents the accumulated results of all past years' operations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

Condensed Statement of Activities

	2007	2006	Dollar Change	Total Percent Change
Program Revenues:				
Charges for Services	\$ 3,840	\$ 1,262	\$ 2,578	204.3%
Program Expenses:				
Current	50,791	41,964	8,827	21.0%
Depreciation - unallocated	23,631	23,644	(13)	-0.1%
Total program expenses	<u>74,422</u>	<u>65,608</u>	<u>8,814</u>	<u>13.4%</u>
Net program income	<u>(70,582)</u>	<u>(64,346)</u>	<u>6,236</u>	<u>9.7%</u>
 General revenues	 162,060	 146,849	 15,211	 10.4%
Change in Net Assets	<u>91,478</u>	<u>82,503</u>	<u>8,975</u>	<u>10.9%</u>
 Net Assets:				
Beginning of the year	<u>751,845</u>	<u>669,342</u>	<u>82,503</u>	<u>12.3%</u>
End of the year	<u>\$843,323</u>	<u>\$751,845</u>	<u>\$91,478</u>	<u>12.2%</u>

The total revenues for the year in governmental activities were \$165,900 (\$162,060 in general revenues and \$3,840 in program revenues). This reflected an increase of \$17,789 or approximately 12 percent from the prior year. The total cost of all instructional and support services were \$74,422, down from the prior year by in excess of 14 percent.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FFS)

The District utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$362,271. This reflects an increase of \$60,355 from last year. This increase is primarily attributed to the activities described in the government-wide financial statements.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

Condensed Balance Sheet

	2007	2006	Dollar Change	Total Percent Change
Total Current Assets	\$527,954	\$465,279	\$62,675	13.5%
Total Current Liabilities	165,683	163,363	2,320	1.4%
Fund Equity:				
Reserved	245,054	197,684	47,370	24.0%
Unreserved	117,217	104,232	12,985	12.5%
Total fund equity	<u>362,271</u>	<u>301,916</u>	<u>60,355</u>	<u>20.0%</u>
Total Liabilities and Equity	\$527,954	\$465,279	\$62,675	13.5%

Condensed Statement of Revenues, Expenditures
and Changes in Fund Balances

	2007	2006	Dollar Change	Total Percent Change
Total Revenues	\$ 165,900	\$ 148,111	17,789	12.0%
Expenditures:				
Current	96,437	85,610	10,827	12.6%
Capital Outlay	9,108	-	9,108	#DIV/0!
Total	<u>105,545</u>	<u>85,610</u>	<u>19,935</u>	<u>23.3%</u>
Excess (Deficiency)	60,355	62,501	(2,146)	-3.4%
Fund Balance:				
Beginning of the year	301,916	239,415	62,501	26.1%
End of the year	<u>\$ 362,271</u>	<u>\$ 301,916</u>	<u>\$ 60,355</u>	<u>20.0%</u>

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year.

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2007 and 2006 was \$530,028 and \$544,550 respectively.

	2007	2006
Building and Improvements	\$ 747,741	\$ 747,741
Equipment	66,381	59,772
Office Equipment	7,616	5,116
Total Cost	821,738	812,629
Accumulated Depreciation	291,711	268,079
Net Capital Assets	<u>\$ 530,027</u>	<u>\$ 544,550</u>
Depreciation Expense	<u>\$ 23,631</u>	<u>\$ 23,644</u>

This year there were \$9,108 in additions and no deletions to the current asset list. The depreciation taken on these assets was \$23,631. More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

LONG-TERM DEBT

At year-end, the District had \$47,000 in general obligations bonds outstanding. The District retired \$44,000 in principal on these bonds during the year. The District does not plan on issuing any more new debt to finance major capital improvements, but will be reviewing bond market conditions for financing future year capital expenditures. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2007

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2008 budget were:

1. changes in millage rates for the next fiscal year
2. new laws and regulations enacted that would apply to the upcoming year
3. new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Beginning Fund Balance	\$80,631
Projected Revenue	120,140
Projected Expenditures	<u>(145,700)</u>
Ending Fund Balance	<u><u>\$55,071</u></u>

CONTACTING THE DISTRICT 'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Mr. Horton Beaver, Treasurer
Lafourche Parish Recreation District No. 11,
200 Mazarac St.,
Houma, LA 70364-3812
985-872-2376

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Commissioners
Lafourche Parish Recreation District No. 11

We have compiled the accompanying basic financial statements and the Management Discussion and Analysis and Required Supplementary Information of the Lafourche Parish Recreation District No. 11, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2007 as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules that are the representation of management. We have not audited or reviewed the accompanying basic financial statements or supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to Lafourche Parish Recreation District No. 11.

Stagni & Company

Thibodaux, Louisiana
March 14, 2008

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Statement of Net Assets

December 31, 2007

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 364,079
Due from other governments	128,212
Taxes Receivable	<u>35,663</u>
Total current assets	527,954
Noncurrent assets:	
Capital assets, net of depreciation	<u>530,027</u>
Total assets	<u>1,057,981</u>
 LIABILITIES	
Current liabilities:	
Accounts Payable	1,806
Deferred Revenues	163,877
Interest payable on bonds	1,975
Bonds Payable - current	<u>47,000</u>
Total current liabilities	<u>214,658</u>
 Total Liabilities	 <u>214,658</u>
 NET ASSETS	
Invested in capital assets, net of related debt	481,052
Restricted for:	
Debt Service	245,054
Unrestricted	<u>117,217</u>
Total net assets	<u><u>\$ 843,323</u></u>

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Statement of Activities
For the Year Ended December 31, 2007

FUNCTIONS / PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants & Contributions	
Governmental activities:				
General government	\$ 74,422	\$ 3,840	\$ -	\$ (70,582)
Total governmental activities:				(70,582)
General revenues:				
Ad Valorem Taxes				157,067
Unrestricted investment earnings				4,993
Total general revenues				162,060
Change in net assets				91,478
Net assets - beginning				751,845
Net assets - ending				<u>\$ 843,323</u>

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

Balance Sheet - Governmental Funds

December 31, 2007

	General Fund	Debt Service Fund	Totals Governmental Funds
ASSETS			
Cash	\$ 119,024	\$ 245,055	\$ 364,079
Due from other governments	54,002	74,210	128,212
Taxes receivable	15,021	20,642	35,663
Total assets	<u>\$188,047</u>	<u>\$339,907</u>	<u>\$527,954</u>
LIABILITIES			
Accounts Payable	\$ 1,806		\$ 1,806
Deferred revenue	69,024	\$ 94,853	163,877
Total liabilities	<u>70,830</u>	<u>94,853</u>	<u>165,683</u>
FUND BALANCES			
Reserved for Debt Service		245,054	245,054
Unreserved - Undesignated	117,217		117,217
Total fund balances	<u>117,217</u>	<u>245,054</u>	<u>362,271</u>
Total	<u>\$188,047</u>	<u>\$339,907</u>	

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

The net book value of capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

530,027

The long term principal of bonds payable is not due and payable in the current period and therefore are not reported in the funds.

Current

(47,000)

The amount of interest payable is recorded for accrual basis in the government-wide statements but is not reported in the fund financial statements.

(1,975)

Net assets of governmental activities

\$ 843,323

See notes to the financial statements and accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the Year Ending December 31, 2007

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	\$ 66,495	\$ 90,572	\$ 157,067
Fees and Charges	3,840		3,840
Interest	351	4,642	4,993
Total Revenues	70,686	95,214	165,900
EXPENDITURES			
General government - current:			
Property and equipment maintenance	9,959		9,959
Reimbursed Salaries and Benefits	23,070		23,070
Recreation programs	2,140		2,140
Office expense	2,867		2,867
Accounting and Attorney fees	950		950
Insurance	9,607		9,607
Total current expenditures	48,593		48,593
Capital outlay	9,108		9,108
Debt service:			
Principal retirement		44,000	44,000
Interest and fiscal charges		3,844	3,844
Total debt service		47,844	47,844
Total expenditures	57,701	47,844	105,545
Excess (deficiencies) of revenues over expenditures	12,985	47,370	60,355
FUND BALANCES			
Beginning of year	104,232	197,684	301,916
Ending of year	<u>\$117,217</u>	<u>\$245,054</u>	<u>\$362,271</u>

See notes to the financial statements and accountants' report.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007**

Amounts reported for *governmental activities* in the statement of activities (government-wide financial statements) are different because:

In the current year, these amounts consist of:

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

In the current year, these amounts consist of:

Change in net assets of governmental activities	\$ 91,478
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LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

The Lafourche Parish Recreation District No. 11 (the District) operates under provisions of the Louisiana Revised Statutes and was created by ordinance 17-19 of the Lafourche Parish Council on October 28, 1996. The District provides the facilities, equipment, program, and finances to conduct recreational activities in the respective District boundaries. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds and levy taxes.

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Lafourche Parish Recreation District No. 11 (the District) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. **Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Based on criterion applied, the District is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity.

B. **Basic Financial Statements – Basis of Presentation**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type activities.

All of the District's administrative services are classified as governmental activities.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – Basis of Presentation (Continued)

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and activities. These functions are also supported by general government revenues (interest earned.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants. The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

FUND FINANCIAL STATEMENTS

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

The Governmental Funds of the District are as follows:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economical resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

- Interest income is recorded when received by the District.
- Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. Budgets

The District complies with the "Louisiana Local Government Budget Act" and henceforth, budgets are adopted for its governmental funds on a modified accrual basis that is consistent with generally accepted accounting principles. Annual budgets are prepared by the Secretary of the Board and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at a year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

E. Encumbrances

The District does not utilize encumbrance accounting; under which purchase orders, contracts, and other commitments are recorded in the District's books.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost.

Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not material and therefore not included as part of the capitalized value of the assets constructed. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture and fixtures	5 years
Equipment	10-20 years

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Long Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or legally segregated by outside parties for a specific future use.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

Note 2 DEPOSITS

Deposits:

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2007, the carrying amount of deposits was \$364,079 and the bank balance was \$364,564. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial credit risk is the risk that in an event of a bank failure, the district's deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. \$264,564 of the total bank balance is exposed to custodial credit risk. FDIC valued at \$100,000 for 2007, secure these deposits from risk. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the District's name. The Recreation District is considered under collateralized at December 31, 2007.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 AD VALOREM TAXES

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at the percentages of actual value as specified by Louisiana law.

LAFOURCHE PARISH RECREATION DISTRICT No. 11

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2007

Note 3 AD VALOREM TAXES (Continued)

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2006. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2006 for which the revenue is shown in 2007 was 4.73 mills assessed valuation on property within Lafourche Parish Recreation District No. 11 for the purpose of maintaining and operating the facilities and programs, and 6.5 mills for the purpose of payment of general long term debt principal, interest, and related costs for the District.

The Lafourche Parish Sheriff's Office collects the taxes levied and remits the taxes collected to the District. The District uses the revenue from ad valorem taxes collected to finance the next year's operations; therefore all taxes levied in 2007 are recognized as deferred in the current year's financial statements.

Note 4 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 2007.

Note 5 DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units consisted of December 2007 ad valorem tax collections due from the Lafourche Parish Sheriff to be remitted to the District in January 2008.

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

Note 6 CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental Activities	Balance 12/31/06	Additions	Retirements/ Adjustments	Balance 12/31/07
Building & Improvements	\$747,741			\$747,741
Equipment	59,773	\$6,608		66,381
Office Equipment	5,116	2,500		7,616
Totals	\$812,630	\$9,108		\$821,738

Less accumulated depreciation:

Building & Improvements	\$228,198	\$19,226		\$247,424
Equipment	35,479	4,004		39,483
Office Equipment	4,403	401		4,804
Totals	\$268,080	\$23,631		\$291,711
Capital assets, net	\$544,550			\$530,027

Depreciation expenses of \$23,631 for the year were charged to the general government – Recreation function in the statement of activities.

Note 7 LONG TERM DEBT

A summary of changes in long-term debt of the District is as follows:

	Payable 12/31/06	Debt Retired	Payable 12/31/07
General Obligations Refunding Bonds, dated June 3, 1997 bearing interest of 5.57%	\$91,000	\$(44,000)	\$47,000

LAFOURCHE PARISH RECREATION DISTRICT No. 11
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2007

Note 7 **LONG TERM DEBT (CONTINUED)**

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

Maturity	Principal	Interest	Total
2008	47,000	1,309	48,309
Totals	\$47,000	\$1,309	\$48,309

***REQUIRED SUPPLEMENTAL
INFORMATION SECTION***

LAFOURCHE PARISH RECREATION DISTRICT No. 11**Budget Comparison Schedule****General Fund****For the Year Ending December 31, 2007**

	Budgeted Amounts			Variance - Favorable (Unfavorable)
	Original	Final (not amended)	Actual	
REVENUES				
Ad Valorem Taxes	\$ 89,800	\$ 89,800	\$ 66,495	\$ (23,305)
Fees and Charges	10,000	10,000	3,840	(6,160)
Interest			351	351
Total Revenues	99,800	99,800	70,686	(29,114)
EXPENDITURES				
General government - current:				
Property and equipment maintenance	44,500	44,500	9,959	34,541
Reimbursed Salaries	23,800	23,800	23,070	730
Recreation Programs	-	-	2,140	(2,140)
Office expense	6,500	6,500	2,867	3,633
Accounting	3,000	3,000	950	2,050
Insurance	12,000	12,000	9,607	2,393
Total current expenditures	89,800	89,800	48,593	41,207
Capital Outlay	-	-	9,108	(9,108)
Total expenditures	89,800	89,800	57,701	32,099
Excess (deficiencies) of revenues over expenditures	10,000	10,000	12,985	2,985
FUND BALANCES				
Beginning of year	70,631	70,631	104,232	33,601
Ending of year	\$ 80,631	\$ 80,631	\$ 117,217	\$ 36,586

See accountants' report.

LAFOURCHE PARISH RECREATION DISTRICT No. 11**Budget Comparison Schedule****Debt Service Fund****For the Year Ending December 31, 2007**

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final (not amended)		
REVENUES				
Ad Valorem Taxes	\$ 50,000	\$ 50,000	\$ 90,572	\$ 40,572
Interest	-	-	4,642	4,642
Total Revenues	50,000	50,000	95,214	45,214
EXPENDITURES				
Debt service:				
Principal retirement	44,000	44,000	44,000	-
Interest and fiscal charges	6,000	6,000	3,844	2,156
Total debt service				
Total expenditures	50,000	50,000	47,844	2,156
Excess (deficiencies) of revenues over expenditures				
	-	-	47,370	47,370
FUND BALANCES				
Beginning of year	104,763	104,763	197,684	92,921
Ending of year	\$ 104,763	\$ 104,763	\$ 245,054	\$ 140,291

See accountants' report.